



Antal blad /
Number of sheets

14 ✓

TENTAMEN / EXAMINATION

- Anvisningar:** Skriv din anonymitetskod på varje blad.
Endast en uppgift får lösas på varje blad.
Var vänlig skriv tydligt!
- Instructions:** Write your anonymous code on each sheet.
Answer only one question on each sheet.
Please write clearly!

Vänligen texta anonymitetskoden i textboxen enligt exempel nedan!
Please write the Anonymous Code clearly in the textbox like example below!

Bokstäver/Letters:

A-B-C-D-E-F-G-H-I-J-K-L-M-N-O

P-Q-R-S-T-U-V-W-X-Y-Z-Å-Ä-Ö

Siffror/Numbers:

Ø-1-2-3-4-5-6-7-8-9

Exempel:

A B C 1 7 Ø - Ø 1 7

NEGB01 Nationalekonomi

Kurskod + Kurs / Course Code + Course:

Mikroekonomi

Delkurs / Part course:

Anonymitetskod / Anonymous code =
Kurskod + kodnr / course code + code number

N	E	G	B	Ø	1	-	Ø	2	3
---	---	---	---	---	---	---	---	---	---

Tentamensdatum /
Examination date:

2017-03-31

Behandlade uppgifter / Solved problems

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
✓	✓	✓	✓	✓										
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

Ifylles av lärare / To be completed by the examiner

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
5	5,5	2,75	0,25	2,0										
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

Poäng / Marks gained: 15,5

Betyg / Grade: 6

KEK
Examin. lärare / Kursansvarig signatur / Signature of the examiner

Max poäng / Total marks gained: _____

Namnförtydligande / Clarification of the signature

För Gk poäng / Marks gained to be passed: _____

Anonymitetskod: NEGB01-023

Microeconomics
NEGB01/ NEGB25

Answer Part 1, Question1- 3

Dinky Daruvala



NEG301-023

2

Skriv ej i detta område
Leave this area blank

UPPGIFT 1:

Uppgift nr /
Question no:
1

Poäng / Points
awarded:
5

Lärarens
anteckning
Examiner's remarks:

a) Utility function $U(x; y) = x^2 y$

if you do a monotonic transformation so that the powers in the utility function

sum to 1, you can easier determine the demand of each good

$$U(x; y) = x^{\frac{2}{2+1}} y^{\frac{1}{2+1}} = x^{\frac{2}{3}} y^{\frac{1}{3}}$$

$$\text{Demand for } x = \frac{\frac{2}{3} \cdot m}{P_x}$$

$$\text{For } y = \frac{\frac{1}{3} \cdot m}{P_y}$$

b) When we already done the monotonic transformation it's easy to see how much martin spends on each good

$$\text{For } x = \frac{2}{3} \cdot m \left(\frac{2}{3} \text{ of his income} \right)$$

$$y = \frac{1}{3} \cdot m \left(\frac{1}{3} \text{ of his income} \right).$$



NE301-023.

3

Skriv ej i detta område
 Leave this area blank

Uppgift nr /
 Question no:
 1

Poäng / Points
 awarded:

Lärarens
 anteckning
 Examiner's remarks:

c) For a normal good:
 if the price goes up $P \uparrow$
 the demand goes down $D \downarrow$

So let's check if martin has an
 income $m=60$ and the price of x

$P_x = 10$ he will buy:

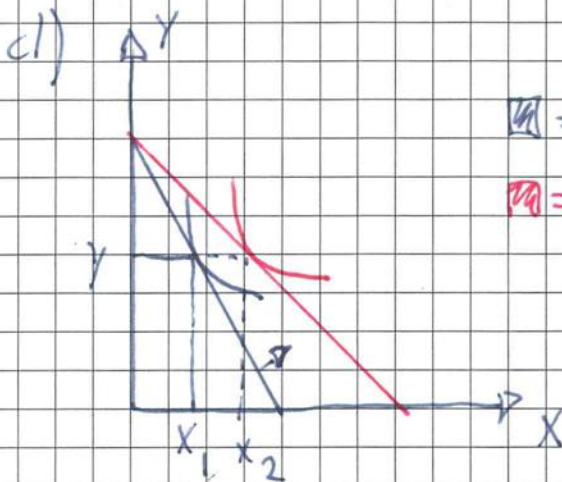
$$X = \frac{2}{3} \cdot \frac{60}{10} = 4 \text{ units of } x$$

if the price of x goes up to 16 $P_x = 16$

he will buy:

$$X = \frac{2}{3} \cdot \frac{60}{16} = 2.5 \text{ units of } x.$$

So his demand has decreased and
 therefore you can say that x = normal
 good.



\square = old budget line/utility
 \square = new budget line/utility.

When price of x is
 decreased martin
 can buy more of x

and the same quantity of y but to a higher
 utility.

